

### Program Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	306.35	306.35	293.35	293.35	306.35	293.35	(13.00)	(4.24)%
Personal Services	15,786,504	17,575,011	17,564,264	17,570,474	33,361,515	35,134,738	1,773,223	5.32 %
Operating Expenses	3,758,168	4,137,234	3,718,782	3,733,840	7,895,402	7,452,622	(442,780)	(5.61)%
Debt Service	6,385	3,627	6,385	6,385	10,012	12,770	2,758	27.55 %
<b>Total Costs</b>	<b>\$19,551,057</b>	<b>\$21,715,872</b>	<b>\$21,289,431</b>	<b>\$21,310,699</b>	<b>\$41,266,929</b>	<b>\$42,600,130</b>	<b>\$1,333,201</b>	<b>3.23 %</b>
General Fund	19,512,315	21,695,135	21,268,695	21,289,963	41,207,450	42,558,658	1,351,208	3.28 %
State/Other Special Rev. Funds	38,742	20,737	20,736	20,736	59,479	41,472	(18,007)	(30.27)%
<b>Total Funds</b>	<b>\$19,551,057</b>	<b>\$21,715,872</b>	<b>\$21,289,431</b>	<b>\$21,310,699</b>	<b>\$41,266,929</b>	<b>\$42,600,130</b>	<b>\$1,333,201</b>	<b>3.23 %</b>

### Program Description

The Property Assessment Division administers the state's real and personal property tax laws while emphasizing customer service. It accomplishes this through uniform and equitable valuation and assessment regulations for residential, commercial, agricultural, forestland, and business equipment property. The division discovers, appraises, and assesses real and personal property for the local governing bodies that include about 1,200 levy districts and another 1,200 individual taxing jurisdictions. The division provides tax billing information to the local county treasurers for their generation of more than a half million tax bills and \$1 billion in taxes for all classes of property. The division consists of the Central Office Bureau and four regions. The Central Office Bureau provides technical and administrative support to the department's local office staff in each of the four regions. The department's local office staff provides the property taxpayers with information and assistance.

### Program Highlights

Property Assessment Division Major Budget Highlights	
<ul style="list-style-type: none"> <li>• Personal services would increase due to statewide present law adjustments</li> <li>• Operating expenses would decrease due to fixed costs and a reduction in hail insurance authority</li> </ul>	

### Program Discussion -

The following table highlights the differences between the FY 2015 appropriations as shown in the main table and the FY 2015 legislative appropriations used for purposes of the budget base.

Department of Revenue Property Assessment Division FY 2015 Appropriation Transactions			
Category	Legislative Appropriation	Difference Between Exec. and Leg.	Total Executive Implementation
Personal Services	\$16,911,295	\$663,716	\$17,575,011
Operating Expenses	3,849,351	287,883	4,137,234
Debt Service	0	3,627	3,627
Total Costs	<u>\$20,760,646</u>	<u>\$955,226</u>	<u>\$21,715,872</u>

The difference between the FY 2015 Legislative Appropriation and the Total Executive Implementation is due to the inclusion of two restricted one-time-only biennial appropriations for property reappraisal. These appropriations total \$987,660. A decrease of \$32,434 is due to the transfer of the hail insurance authority from the Department of Revenue to the Department of Agriculture.

#### *Comparison of the 2014 Actual Expenditures to FY 2015 Legislative Appropriations*

Actual FY 2014 expenditures of \$19,551,057 are \$1,209,589 below the FY 2015 Legislative appropriation of \$20,760,646.

#### **Funding**

The following table shows proposed program funding by source from all sources of authority.

Department of Revenue, 08-Property Assessment Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	42,558,658	0	0	42,558,658	99.90 %
02088 SSR ADMINISTRATIVE FUNDS	41,472	0	0	41,472	100.00 %
02320 Property Value. Improv. Fund	0	0	0	0	0.00 %
<b>State Special Total</b>	<b>\$41,472</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,472</b>	<b>0.10 %</b>
<b>Federal Special Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$42,600,130</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,600,130</b>	

Funding for the Property Assessment Division is almost entirely from the general fund. State special revenue is for the administration of the livestock per capita fee.

#### **Budget Summary by Category**

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	20,707,475	20,707,475	41,414,950	97.31 %	20,760,646	20,760,646	41,521,292	97.47 %
PL Adjustments	561,220	582,488	1,143,708	2.69 %	528,785	550,053	1,078,838	2.53 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
<b>Total Budget</b>	<b>\$21,268,695</b>	<b>\$21,289,963</b>	<b>\$42,558,658</b>		<b>\$21,289,431</b>	<b>\$21,310,699</b>	<b>\$42,600,130</b>	

**Present Law Adjustments -**

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	693,021	(40,052)	0	652,969	0.00	698,049	(38,870)	0	659,179
DP 99 - LEG. Present Law	0.00	(131,801)	7,617	0	(124,184)	0.00	(115,561)	6,435	0	(109,126)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$561,220</b>	<b>(\$32,435)</b>	<b>\$0</b>	<b>\$528,785</b>	<b>0.00</b>	<b>\$582,488</b>	<b>(\$32,435)</b>	<b>\$0</b>	<b>\$550,053</b>

**DP 98 - LEG. Personal Services Present Law -**

The Personal Services Present Law Adjustments (PSPL) in the table below includes all present law adjustments related to personal services, including statewide present law personal services adjustments. This adjustment has been broken out by some of its component parts for a more detailed understanding of the adjustments. FY 2016 and FY 2017 contain the reductions in FTE made by the executive to implement the boilerplate language in HB 2.

Personal Services Present Law Adjustments					
FY 2016					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	293.35	\$142,568	-	-	\$142,568
Executive Implementation of 2015 Pay Increase		287,994	-	-	287,994
Fully Fund 2015 Legislatively Authorized FTE		325,483	-	-	325,483
Other		(63,024)	(40,052)	-	(103,076)
Personal Services Present Law Adjustments	293.35	\$693,021	(\$40,052)	\$0	\$652,969
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	293.35	\$142,568	-	-	\$142,568
Executive Implementation of 2015 Pay Increase		287,994	-	-	287,994
Fully Fund 2015 Legislatively Authorized FTE		325,483	-	-	325,483
Other		(57,996)	(38,870)	-	(96,866)
Personal Services Present Law Adjustments	293.35	\$698,049	(\$38,870)	\$0	\$659,179

The executive proposes to increase support to personal services adjustments by 3.9% in FY 2016 and 3.9% in FY 2017 in comparison to the FY 2015 legislative budget. As shown in the table, the increase is entirely due to the three main items, namely health insurance, the HB 13 pay increases, and fully funding legislatively authorized FTE.

#### DP 99 - LEG. Present Law -

The LGPL adjustments are primarily due to decreases in fixed costs.